



February 19, 2021

Patrick Woodcock, Commissioner
Department of Energy Resources
100 Cambridge St., Suite 1020
Boston, MA 02114

Re: Clean Peak Energy Portfolio Standard (CPS) EDC Procurement Straw Proposal

Commissioner Woodcock,

Pursuant to the notice issued January 21, 2021 by the Department of Energy Resources (“DOER”), Sunrun Inc. (“Sunrun”) submits the following comments regarding the “*Clean Peak Energy Portfolio Standard (CPS) EDC Procurements Straw Proposal*” (“Straw Proposal”).

Regarding the procurement process, the Straw Proposal states that resources eligible for the tariff enrollment process include new RPS resources and new energy storage resources, but that energy storage systems that receive the SMART storage adder incentives and systems that participate in the ConnectedSolutions program are not eligible for tariff enrollment (Straw Proposal at Slide 4).

The Straw Proposal framework would require residential storage customers not permitted to participate through the tariff procurement process to go through the laborious process of establishing NEPOOL accounts, minting the Clean Peak Energy Certificates (“CPECs”), and ultimately marketing them to their Electric Distribution Company (“EDC”) in order to participate in the program. The administrative burdens associated with this process would very likely outweigh the benefit of participating for aggregated residential resources. The tariff process offers a streamlined participation avenue to bring these customers into the Clean Peak Program while lowering the administrative burden to all parties. These same principles apply to customers who may choose to participate in the Clean Peak Program through their Distributed Energy Resource Aggregator.

As such, Sunrun recommends the Straw Proposal be modified to allow customers who take the SMART storage adder and/or participate in the ConnectedSolutions program to participate in the Clean Peak Program via the tariff procurement mechanism. Given the size and operational characteristics of residential systems the tariff mechanism offers the most feasible pathway for customers to enroll their systems in the Clean Peak Program and deliver value to participating and non-participating customers. For these reasons, at a minimum, residential systems should be able to enroll in the tariff even if they take SMART or are in ConnectedSolutions.

Critically, broad participation from residential energy storage systems (*e.g.*, including systems that receive the SMART storage adder and/or participate in ConnectedSolutions) through the Clean Peak Program via the tariff procurement mechanism achieves the fundamental procurement objectives outlined in the Straw Proposal.

The Straw Proposal states the following as “Procurement Objectives:”

- Spur new and incremental clean peak resource development.
- Provide revenue certainty for clean peak resources to enable financing.
 - Decrease the risk of a new market.
 - Target resources which do not have existing policies that provide long-term revenue certainty.
- Provide cost-effective CPEC supply.

As Sunrun has discussed in prior comments, the ability to participate in any given program depends not only on rules to “allow” participation in multiple programs, but it is also a function of the enrollment and participation processes for each program. Layering technical, administrative, and other hurdles into program enrollment and participation will result in more expensive deployment, increase administrative inefficiencies, reduce customer interest, and reduce program effectiveness.¹ Allowing all residential storage customers to participate through the tariff procurement mechanism would remove a significant administrative barrier to Clean Peak Program participation and thereby help to “spur new and incremental clean peak resource development” and “provide “cost-effective CPEC supply.”

With respect to the second objective, DOER has emphasized that value stacking is essential for the financibility of energy storage systems² and this will become increasingly critical as

¹ Sunrun Inc. Comments on Department of Energy Resources Clean Peak Standard Straw Proposal (Apr. 12, 2019).

² See, *e.g.*, Massachusetts DOER and MassCEC, *State of Charge: Massachusetts Energy Storage Initiative* at 79, 115, 121, 123, 157 (describing the value propositions of energy storage and the need to close the “revenue gap” for energy storage project owners who are currently unable to monetize all of an

incentives like SMART decline and the financeability of distributed energy resources - particularly behind the meter (“BTM”) residential energy storage - are dependent on grid service programs, such as the Clean Peak Program, ConnectedSolutions, and others. As such, creating viable pathways for these resources to enroll and participate in multiple programs is critical to the ability to stack multiple program values. Allowing residential storage customers to participate through the tariff procurement mechanism would help to provide “revenue certainty for clean peak resources to enable financing” and “decrease the risk of a new market.” With respect to the objective to “target resources which do not have existing policies that provide long-term revenue certainty;” revenue certainty is not defined by the ability to participate in an established number of programs. Instead, revenue certainty is informed by the ability to leverage the multiple use case capabilities of energy storage resources to actually deploy in *multiple use cases*. As such, a viable participation pathway for Clean Peak Standard coupled with ConnectedSolutions, and other programs that may be developed, are essential to realizing the “value stack” and creating the revenue certainty necessary to support storage financeability and drive deployment.

Respectfully submitted,

/s/ Chris Rauscher

Chris Rauscher

Director, Policy & Storage Market Strategy

Sunrun Inc.

225 Bush St #1400

San Francisco, CA 94104

Tele: (207) 400-1150

Email: chris.rauscher@sunrun.com

energy storage system’s benefits by creating market participation pathways to access multiple revenue streams).